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**The EQUITABLE LIFE insurance company
OF CANADA**

Annual Report

1972

DIRECTORS

M. J. SMITH*	<i>Honorary Chairman</i>
H. E. POWER,* F.C.I.S.	<i>Chairman of the Board</i>
T. R. SUTTIE,* F.I.A., F.C.I.A.	<i>President</i>
W. J. McGIBBON,* Q.C.	<i>1st Vice-President</i>
C. N. WEBER*	<i>2nd Vice-President</i>
W. D. GOODMAN, Q.C.	J. E. MOTZ
H. D. GREB	J. W. SCOTT*
J. G. HAGEY, LL.D.	W. H. TIMMIS
H. S. MORTON, O.B.E., F.R.C.S.	

* Member of the Executive Committee

HONORARY DIRECTOR

J. M. RIDDELL, Q.C.

OFFICERS

T. R. SUTTIE, F.I.A., F.C.I.A.	<i>President</i>
G. R. BLAKE, F.L.M.I.	<i>Vice-President and Treasurer</i>
D. L. MACLEOD	<i>Vice-President, Marketing</i>
H. I. MCINTOSH, F.S.A., F.C.I.A.	<i>Vice-President and Actuary</i>
R. A. SAUNDERS, F.S.A., F.C.I.A.	<i>Vice-President and Comptroller</i>
W. H. WAHL, F.C.I.S., F.L.M.I.	<i>Vice-President and Secretary</i>
G. L. BRUNT, C.L.U.	<i>Regional Sales Director</i>
L. J. HAMEL, F.L.M.I.	<i>Investment Administrative Officer</i>
R. A. HOOPER	<i>Employee Benefit Plans Sales Director</i>
G. J. MELNIK, F.S.A., F.C.I.A.	<i>Assistant Actuary, Group</i>
R. NOBLE, A.A.C.I.	<i>Assistant Treasurer, Property Investments</i>
N. W. PARKER	<i>Assistant Secretary</i>
W. H. PUGH, F.L.M.I.	<i>Assistant Secretary</i>
D. C. RAMSAY, F.L.M.I.	<i>Systems and Planning Officer</i>
D. G. SEEBACH, F.L.M.I.	<i>Marketing Services Director</i>
D. J. TABER, C.L.U.	<i>Regional Sales Director</i>
McGIBBON, HARPER & HANEY	<i>Solicitors</i>
P. G. SCHWAGER, M.D.	<i>Medical Director</i>

DIRECTORS' REPORT

TO THE POLICYOWNERS OF THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA:

NEW POLICYOWNERS — During the year 12,073 new policy owners and certificate holders joined those already associated with the Company, bringing the total to 111,022 and the business in force to \$1,455,527,610, a gain of \$130,982,221 in the year.

NEW BUSINESS — New records were again established in the volume of business written, with a gain over the previous year of 31% in individual sales and 51% in total sales. Of the total volume of \$131,139,904, individual sales accounted for \$76,981,148 and group sales for \$54,158,756.

PAYMENTS TO POLICYOWNERS — A total of \$8,252,533 was paid to policyowners and beneficiaries. This included policy dividends of \$1,355,190.

PROTECTION FOR POLICYOWNERS — An increase of \$5,090,407 brought the statutory policy reserves to \$75,033,236. To provide further security for policyowners, \$250,000 was added to the Investment Reserve and \$294,211 to the Unassigned Surplus. Together these two items now amount to \$7,714,146.

REVENUE — Total revenue for the year was \$19,093,591, an increase over the previous year of \$2,644,951. The rate of interest earned was 6.98% as compared to 6.82% in 1971. This rate is calculated after the deduction of investment expenses, but before deducting investment income tax.

ASSETS — These now amount to \$90,452,988, an increase of \$6,462,790.

TAXATION — The estimate of the income tax payable for 1972 is \$645,000, of which \$162,000 is reported as a deduction from investment income and the balance is shown as a separate item in the Summary of Operations.

DIRECTORS — We regret to report the death in 1972 of Mr. P. R. Hilborn, who had been a member of the Board of Directors since 1961. His wide knowledge and diversity of interests had provided valuable assistance to the Company during his term of office.

Mr. W. D. Goodman, Q.C. of the Toronto firm of Goodman and Carr, Barristers and Solicitors, was elected to fill the consequent vacancy on the Board.

STAFF — The Directors again wish to record their sincere appreciation to the Head Office and Field Staffs. The record increases in New Business are an indication of the skill and knowledge of the Field Force, while the efficient handling of the substantially greater volume of business reflects credit on each member of the Head Office staff.

On behalf of the Board

H. E. POWER, *Chairman of the Board*
T. R. SUTTIE, *President*

OUR PROGRESS AT A GLANCE

	1972	1971	1962
New Business —			
Life and Annuity	\$ 131,139,904	\$ 86,861,343	\$ 37,238,243
Business in Force —			
Life and Annuity	1,455,527,610	1,324,545,389	337,737,279
Income	19,093,591	16,448,640	7,709,479
Assets	90,452,988	83,990,198	44,380,055
Benefit Payments	8,252,533	7,950,704	2,877,866
Investment Reserve and Unassigned Surplus	7,714,146	7,169,935	2,700,489
Dividends to Policyowners	1,355,190	1,275,963	468,623
Earned Interest Rate	6.98%	6.82%	5.61%

(Net of investment expenses,
but before investment income tax)

*The Equitable Life of Canada is a mutual company
owned entirely by its participating policyowners.*

AUDITORS' REPORT TO THE POLICYOWNERS

We have examined the statement of assets, liabilities and surplus of The Equitable Life Insurance Company of Canada as at December 31, 1972, and the summary of operations for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances; the policy reserves were determined and certified by the Company's actuary.

In our opinion, based on our examination and the certificate of the Company's actuary, the accompanying statement of assets, liabilities and surplus and the related summary of operations present fairly the financial position of the Company as at December 31, 1972, and the results of its operations for the year ended on that date in accordance with accounting practices prescribed or permitted by the Department of Insurance, Canada.

Waterloo, Ontario
January 25, 1973.

CLARKSON, GORDON & CO.,
Chartered Accountants

ACTUARY'S CERTIFICATE

The Policy Reserves of \$75,033,236 shown in the statement of assets, liabilities and surplus at December 31, 1972, are in excess of the reserves required by Section 82 of the Canadian and British Insurance Companies Act, and, in my opinion, makes a good and sufficient provision for all unmatured obligations of the Company guaranteed under the terms of its policies, and the additions to policy reserves of \$5,090,407 shown on the accompanying statement of operations are a proper charge to operations for the year ended December 31, 1972.

January 19, 1973.

H. I. McINTOSH, F.S.A., F.C.I.A.,
Vice-President and Actuary

SUMMARY OF OPERATIONS

THE SOURCES OF INCOME WERE:

FOR YEAR ENDED DECEMBER 31
1972 **1971**

FOR COMPARISON

Premiums:

Insurance	\$10,034,620	\$ 8,998,156
Annuity	1,971,454	1,439,560
Health	865,347	653,202
Segregated Funds	433,556	315,979
	13,304,977	11,406,897

Earnings from investments after investment expenses and investment income tax	5,541,929	4,985,365
Investment Gain on Segregated Funds	246,685	56,378
	<u>\$19,093,591</u>	<u>16,448,640</u>

THIS INCOME WAS USED FOR:

Payments to policyowners and beneficiaries:

Death and Disability benefits	\$ 3,250,524	\$ 2,815,136
Matured endowments and cash values	1,983,437	2,558,134
Annuity and settlement option payments	679,126	651,068
Interest on policyowners' funds	109,365	114,474
Health Insurance benefits	841,417	513,349
Benefits paid from Segregated Funds	33,474	22,580

Additions to policy reserves to provide for future payments	5,090,407	3,675,436
Increase in Segregated Funds	646,767	349,777

Operating expenses:

Compensation for sales and field service to policyowners	1,566,653	1,267,469
Service to policyowners at Head Office and branches	2,140,641	1,852,762
Premium and municipal taxes and licence fees	228,088	202,244
	16,569,899	14,022,429

Net adjustment in asset values	44,291	42,380
Dividends to policyowners in year	1,355,190	1,275,963
Increase in provision for next year's dividends to policyowners	97,000	190,000
Income tax on earnings	483,000	535,000
Increase in Investment Reserve	250,000	150,000
Increase in Unassigned Surplus	294,211	232,868
	<u>\$19,093,591</u>	<u>\$16,448,640</u>

STATEMENT OF - ASSETS

THE COMPANY HAS THESE ASSETS TO MEET ITS OBLIGATIONS TO POLICYOWNERS:	AT DECEMBER 31	
	1972	1971
	FOR COMPARISON	
BONDS	\$25,279,395	\$23,366,222
STOCKS	2,611,700	1,936,054
MORTGAGES	49,668,796	47,456,467
REAL ESTATE Head Office and income producing property.	2,240,909	2,299,283
LOANS TO POLICYOWNERS Fully secured by the cash value of policies of this Company.	5,387,243	5,214,311
CASH	1,998,394	1,244,323
PREMIUMS IN COURSE OF COLLECTION . . Fully secured by policy reserves.	722,475	643,651
INTEREST ACCRUED Interest from last payment date to December 31	888,267	816,369
ELECTRONIC DATA PROCESSING EQUIPMENT This equipment is valued at cost less amortization	41,554	64,798
SEGREGATED INVESTMENT FUNDS Market value of the investments held in the funds	1,594,916	948,149
OTHER ASSETS	19,339	571
 <i>Bonds and stocks are shown at amortized cost and cost respectively, less certain write-downs, and in the aggregate do not exceed the maximum values allowed by the Canadian and British Insurance Companies Act.</i>		
	<u>\$90,452,988</u>	<u>\$83,990,198</u>

H. E. POWER, *Chairman of the Board*

- LIABILITIES AND SURPLUS

THE OBLIGATIONS OF THE COMPANY ARE:

AT DECEMBER 31

1972

1971

FOR COMPARISON

POLICY RESERVES	\$75,033,236	\$69,942,829
This amount, with future premiums and interest earnings, provides for the payment of the benefits guaranteed by the Company's policies		
POLICYOWNERS' FUNDS	3,102,714	2,661,202
Policy proceeds left on deposit, dividends left to accumulate, policy benefits in process of payment, premiums received in advance and other policyowners' funds		
POLICYOWNERS' DIVIDENDS	1,595,000	1,498,000
Provision for dividends payable in 1973		
RESERVE FOR UNREPORTED CLAIMS	769,340	540,457
An estimate of claims which may have occurred but have not yet been reported to the Company		
TAXES AND EXPENSES DUE AND ACCRUED	288,881	514,010
The largest items are the remaining instalments of premium and income taxes payable in 1973 in respect of 1972		
SEGREGATED INVESTMENT FUNDS	1,594,916	948,149
Contracts under which the benefits are determined by the market value of the securities, the obligation therefore being equal to the market value as carried in the assets		
OTHER LIABILITIES	354,755	715,616
Includes mortgagors' tax prepayments		
Total obligations	<u>82,738,842</u>	<u>76,820,263</u>
INVESTMENT RESERVE	2,900,000	2,650,000
Protection against fluctuation in the value of the assets		
UNASSIGNED SURPLUS	4,814,146	4,519,935
This provides additional security for policyowners and their beneficiaries and additional earning power for policyowners' dividends in future years		
	<u>\$90,452,988</u>	<u>\$83,990,198</u>

T. R. SUTTIE, *President*

BRANCH OFFICES

Branch Manager

CALGARY

EDMONTON

D. M. LILLYCROP, C.L.U.
G. J. COOMBS, C.L.U., *Asst. Mgr.*
W. A. SMITH, *Asst. Mgr.*

GUELPH

R. M. WILLIAMS

HAMILTON

T. E. GOODING

KITCHENER

LONDON

H. J. ROSE

MONTREAL

J. G. LAVOIE

OSHAWA

K. H. QUINN

OTTAWA

H. E. LATIMER, C.L.U.

REGINA

D. R. SHIELDS

ST. CATHARINES

P. W. ENGS, C.L.U.

Group Office

CALGARY

F. H. SCHNEIDER

Branch Manager

SASKATOON

MURRAY LEVINE

TORONTO

2805 York Centre
145 King St. W.
F. W. MONTGOMERY, LL.B., C.L.U.
237-6 Lansing Square
A. MEARNES
401 Bay Street
J. B. SMITH, C.L.U.
Dixie Plaza
R. L. THOMPSON

VANCOUVER

1055 West Hastings Street
K. O. HOPKINSON
777 Hornby Street
R. K. PETRIE, C.L.U.

VICTORIA

NORTHWESTERN INSURANCE
AGENCIES LTD.

WATERLOO

E. F. GOMAN, C.L.U.

WINDSOR

R. D. LOVELL

WINNIPEG

P. S. TAYLOR, C.A., C.L.U.

Group Office

WATERLOO

R. A. HOOPER

MORTGAGE LOAN OFFICES

LONDON

A. E. ELMSLIE, A.A.C.I.
Manager

OTTAWA

R. W. HILL
Manager

TORONTO

W. KOMPA, S.R.A.
Representative

WATERLOO

R. NOBLE, A.A.C.I.
Manager



The **EQUITABLE LIFE** insurance company
OF CANADA

HEAD OFFICE - WATERLOO, ONTARIO